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TAGS: [OREP IS ECONOMY AND FINANCE](#) [GAZA DISENGAGEMENT](#) [ISRAELI PALESTINIAN AFFAIRS](#)

SUBJECT: SENATOR CORZINE'S MARCH 14 MEETING WITH VICE PM
OLMERT

Classified By: Ambassador Daniel C. Kurtzer for reasons 1.4 (b) and (d)

1. (C) Summary. Senator Corzine and Ambassador Kurtzer met March 14 with Vice Prime Minister, and Minister of Industry, Trade and Labor Ehud Olmert. The meeting focused on recent USG initiatives on intellectual property rights, Gaza disengagement, and the future of GOI interaction with the PA. Olmert highlighted the positive progress in PA-GOI cooperation, and also hinted that fall 2005 would be an appropriate time to return to the final status discussions envisioned in the Road Map. End Summary.

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2. (C) Minister Olmert opened the meeting with a discussion of his initiative to sign R&D agreements with sub-national governments in high-tech fields such as biotechnology or nanotechnology. He noted that such deals have already been signed with Maryland, Victoria (Australia), and Ontario. Olmert pitched the idea of a biotech R & D fund between New Jersey and Israel. Senator Corzine responded noting U.S. business' concern over the GOI proposals for data exclusivity as currently drafted. Senator Corzine not only raised research-based PhRMA opposition to the bill, but inquired how the U.S. generic industry felt about the legislation. In reviewing his key arguments, Minister Olmert emphasized that he has been willing to be flexible from the beginning. However, he also emphasized that, "what the PhRMA companies want is beyond the limits," and that Israel will not agree to a deal that goes beyond "what is done everywhere else."

Disengagement

3. (C) On the subject of Gaza disengagement, Minister Olmert highlighted his impression that Prime Minister Sharon's disengagement plan is "de Gaullian in its historic proportions." He described Sharon as the "ultimate authority on settlements" because he was so intrinsically identified with their development. Olmert characterized disengagement as the first step to do "nothing less than attempt to redefine the borders of Israel to make it a demographically sustainable Jewish state." He was sanguine about Sharon's possibilities for completing the process during his tenure as Prime Minister, adding that disengagement will be Sharon's legacy. Briefly mentioning the budget, the passage of which has been cast in doubt by the rebel Likud members who oppose disengagement, Olmert commented that "I hope at the last minute we will manage, but I don't know---and I am the man who is supposed to know."

GOI-PA Cooperation

4. (C) Minister Olmert heralded his March 13 decision to grant 6,000 Gazans work permits for Israel as his personal effort to "help a little bit." He characterized the move as against his own policy, against the policy of the Prime Minister, and possibly damaging to the interests of unemployed Israeli workers, but said he was convinced of the necessity of the move in the short-term. However, in the future Olmert maintains, "separation is separation" and "a free market for labor is different from a free market when the workers that you import might also be terrorists." Olmert emphasized that, "we (the GOI) have to help them (the PA) now, because with two or three more attacks like the one in Tel Aviv, we will no longer be able to help."

5. (C) Commenting on PA President Abbas, Olmert stated his opinion that "Abu Mazen wants to be better, and he is capable of taking the necessary steps," but he questioned Abbas' commitment to engage in a violent confrontation with militant groups that threaten to undermine the growing Israeli-Palestinian cooperation. Responding to a question from Senator Corzine about the ability of external actors such as Hizballah to interfere with cooperation, Olmert contended that it was not only the headquarters of such groups in Beirut that were of concern for the GOI, but also established, local cells inside the West Bank that could cause problems.

Roadmap

16. (C) Minister Olmert floated the idea that in September or October 2005 the GOI and the PA would be ready to start "real negotiations." After disengagement in July the GOI will need "some time to recover" before a return to the roadmap would be possible. He added that the PA elections in July should also provide a useful insight into how ready the PA is for real reform. Olmert contended that even on the divisive issue of Jerusalem there was some opportunity for a negotiated solution, but not on the terms that the PA was currently promoting.

17. (U) Senator Corzine did not have an opportunity to clear this message.

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